

CITY OF VERGAS EDA/HRA
Wednesday, November 3, 2021
11:00 AM
Billy's Corner Bar

The City of Vergas Economic Development Authority (EDA) and Housing Redevelopment Authority (HRA) met on Wednesday, November 3, 2021 at 11:00 AM, Billy's Corner Bar, with the following members present: Bruce Albright, Paul Pinke, Austin Tegtmeier, Vanessa Perry, and Kevin Zitzow. Absent: none. Julie Lammers, City Clerk-Treasurer, was unable to attend due to a scheduling conflict, Albright agreed to take and prepare the meeting minutes.

1.) Zitzow called the meeting to order at 11:15 AM.

2.) There were no meeting agenda additions or deletions.

3.) Minutes for the 10/06/21 EDA/HRA meeting were distributed with today's meeting packet.

Motion by Perry to approve the minutes, **seconded** by Tegtmeier, **approved**.

4.) 2021 Financial Update. The checking account balance as of today is \$8,688.66. The savings account at West Central Initiative has \$15,313.88, for a total account balance of \$24,002.54. There were also account balances for two projects the EDA/HRA has agreed to write the checks for, Pickle Ball and the Veteran's Memorial. Memorial expenses to date total \$5,765.73, and \$0 for Pickle Ball. Perry questioned the Vergas Post Office expense of \$55 for the EDA/HRA. Zitzow assumed it was for a roll of stamps. Perry didn't feel that the EDA/HRA needed their own post office box. Albright said he attended a Minnesota Public Finance Education Series titled "TIF Demystified: Understanding the Basics of Tax Increment Financing". The session was sponsored by Ehlers. Use of a Tax Abatement, should require a "but for" analysis. We probably are meeting that requirement because the financial review occurs at the County level, and we are just piggybacking onto their program. Larger cities actually hire Ehlers to make the analysis.

5.) Old Business.

a.) EDA Goals. A copy of the EDA Business Goals for 2021 was attached in the meeting meeting packet. Goal No. 3, "continue to export options for bringing a grocery store to Vergas" can be deleted.

b.) HRA Goals. As noted above, a copy of the 2021 goals was reviewed.

Albright felt that since it has been some time since we've thought about our goals, he suggested that Committee members review the goals and think of some new ones for 2022. We should also maybe start to look at some "specific" goals, that will cost considerable money, to help justify our budget request for increased funding.

c.) City West Lake Street Property. At the 10/12/21 Council meeting, the Council agreed to transfer the former Todd Bunkowski property to the the EDA/HRA. A bid opening for the sale will be held in early December, 2021. Albright has not seen the published details. The property will have a "minimum" bid, which was determined by taking the City's purchase price, demolition costs, and \$8,000 for the 2022 EDA/HRA budget. Zitzow questioned if the property sells for more than the minimum bid, he assumed the overage would go to the EDA/HRA. The group requested more details about the sale, Albright said he can forward a copy of the sale notice, once it is public. The City's "preliminary" budget for 2022 was discussed. Increases were discussed. Zitzow stressed that the EDA/HRA needs to keep pushing for reserves, as when we do a major project, it is going to cost money.

6.) New Business.

a.) Water and Sewer Accessory Fees for Commercial Businesses. The 5-year \$750 exemption for the water and sewer hookup fees for commercial businesses expired earlier this summer, and because there were no commercial businesses under construction at the time, this item was inadvertently not added to our agenda for extension of the program. Perry said the Summers and Zitzow/Schmid projects both recently underwent some very expensive hookup costs for their new projects. Both projects cost more than the developers were planning on. **Motion** by Perry to recommend to the Council to continue the program, retroactive to the expiration date. **Seconded** by Pinke. **Approved.**

b.) Zitzow felt at the next meeting, we need to look at our bylaws, as both he and Perry no longer actually live in Vergas. He couldn't remember how the bylaws were worded regarding membership. Albright will ask Lammers to distribute copies of the bylaws before the next meeting.

Meeting adjourned at 12:10 PM.

Respectfully prepared and submitted by:

Bruce E. Albright, Council Member

Council Recommendations

- extend water and sewer accessory fee exemptions (\$750) for five more years, for commercial businesses, retroactive to the previous expiration date.

Follow up Actions

- review bylaws regarding membership.
- Get details regarding auction of property at 310 W Lake Street.
- Continue to work with developer of Lawrence Lake property regarding possible funding assistance for roads, infrastructure, and housing.
- Develop EDA/HRA goals for 2022.